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DICKSTEIN SHAPIRO MORIN & OSHINSKY LLP

2101 L Street NW • Washington, DC 20037-1526

Tel (202) 785-9700 • Fax (202) 887-0689

Writer's Direct Dial: 202-828-2226

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

September 9, 1996

BY COURIER

William F. Caton, Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554

**EX PARTE
PRESENTATION**

Re: **Implementation of the Pay Telephone Reclassification and
Compensation Provisions of the Telecommunications Act
of 1996, CC Docket No. 96-128**

Dear Mr. Caton:

Enclosed for filing in this docket are the original and one copy of a letter to John Muleta, along with attachments, on behalf of the American Public Communications Council (APCC) regarding some of the important public service functions performed by payphones, and the impact of those vital functions. I would ask that you include these materials in the record of this proceeding.

If you have any questions concerning this matter, please contact me at (202) 828-2226.

Thank you for your consideration.

Sincerely,



Albert H. Kramer

AHK/nw

cc: J. Muleta
M. Carowitz
M. Richards
P. DeGraba

R. Spangler
R. Baca
D. Gonzalez
K. Gulick

J. Casserly
G. Rosston
J. Nakahata

598 Madison Avenue • New York, New York 10022-1614

Tel (212) 832-1900 • Fax (212) 832-0341

<http://www.dsno.com>



DICKSTEIN SHAPIRO MORIN & OSHINSKY LLP

2101 L Street NW • Washington, DC 20037-1526
Tel (202) 785-9700 • Fax (202) 887-0689

Writer's Direct Dial: 202-828-2226
A5691.482

September 9, 1996

BY COURIER

Mr. John Muleta
Chief, Enforcement Division
Common Carrier Bureau
Federal Communications Commission
2025 M Street, Room 6010
Washington, D.C. 20037

Re: **Implementation of the Pay Telephone Reclassification and
Compensation Provisions of the Telecommunications Act of
1996, CC Docket No. 96-128**

Dear Mr. Muleta:

Per your request, the American Public Communications Council ("APCC") submits this information regarding some of the important public service functions performed by payphones, and the impact on those vital functions of the Commission's decisions in this proceeding.

Section 276 of the Act requires the Commission to "promote competition . . . and . . . the widespread deployment of payphone services to the benefit of the general public. . . ." 47 U.S.C. § 276(b)(1). Widespread competitive deployment of payphones benefits the public by providing convenient access to telephone services to members of the public when they are "away from home." In addition, widespread deployment of payphones provides improved access to emergency calling services (e.g., 911), and also provides improved access to telephone service for those who cannot afford to subscribe to residential telephone service.

Performance of these vital functions has been enhanced by the emergence of payphone competition. In the last few years, LECs have frequently removed payphones that they consider to be underused and/or too expensive to maintain. See, e.g., Peter West, Legislator Criticizes Removal of Payphone, Peekskill Star, July 2, 1996, at D6 (Attachment 1). Independent public payphone ("IPP") providers have stepped in to fill public needs left open by LECs. This letter discusses numerous examples of how, in recent

years, payphone competition has ensured that payphones are placed in locations where they are needed, including inner-city areas and remote rural communities, and that access to payphone service is available in emergencies.

However, the ability of payphone competitors to ensure adequate levels of service cannot be expected to continue in the absence of fair compensation for local as well as long distance calls. 47 U.S.C. § 276(b)(1)(A). LECs have continued to remove payphones in underserved areas. As LEC payphones are cut loose, under Section 276, from support from regulated revenues, this trend will undoubtedly continue unless alternative means of support are ensured.

In the paragraphs that follow, we detail some specific instances where IPP providers have moved in to fill service gaps left by the LECs and to provide new services. But we must emphasize that IPP providers are finding it increasingly difficult to fill the gap because of the growing difficulty of earning sufficient revenues to meet costs. Neither IPP providers nor LECs will be able to provide payphones to underserved areas unless the issue of adequate compensation for all calls, including local coin calls, is addressed. If the Commission is to fulfill the statutory mandate to ensure "widespread deployment" of public payphones, and make sure critical public health and safety needs are addressed, it must act to ensure adequate levels of compensation for all calls.

Services to Underserved Urban Areas

The New Jersey Payphone Association ("NJPA") has estimated that more than 120 million calls were carried by IPPs in New Jersey in 1995 -- more than 340,000 calls per day. About sixty percent of these IPPs are located in lower income areas. Response of New Jersey Payphone Association to Proposed Rule-Making, Docket No. TX95100518, Proposal No. PRN 1996-16 (March 12, 1996), at 3-4 (Attachment 2) ("NJPA Comments"). In Newark alone, approximately 13,000 households or 15% of the population lack home telephones. Thus, payphones are needed to provide disadvantaged people vital access to emergency health and safety services. *Id.* at 4. NJPA has estimated that more than 400,000 "911" calls are made yearly on independent payphones. *Id.*¹

¹ See also, e.g., September 13, 1996 correspondence from Clifton M. Craig, Jr., President of South Carolina Public Communications Association, to John Muleta, Chief of Enforcement Division, Common Carrier Bureau (Attachment 3) (stating that independent payphone operators fill the increasing void being left in South Carolina by LEC removal of payphones, providing essential telecommunications service to persons having no other access to telecommunications service); Texas Independent Payphone Companies Install (Footnote continued)

In 1994, the Empire State Payphone Association ("ESPA"), which represented IPP providers in New York state, noted that a majority of its members have as many as 90% of their telephones located in neighborhoods where IPP providers are the sole providers of public telecommunication services, connecting those who cannot afford a private telephone with necessary emergency services such as fire, police, and emergency medical service personnel. See Good Deeds: Service Beyond Duty, Persp. on Pub. Comm. (APCC), July/Aug. 1994, at 19, 21-22 (Attachment 5).²

Clearly, pay telephones are necessary to provide crucial communications service to disadvantaged, inner city communities. See, e.g., "Strategies for the Future" Conference Addresses Access and Success, Connections (IPANY, Scarsdale, N.Y.), Inaugural Issue, at 6 (stating that IPPs account for 20% of all calls completed in inner cities) (Attachment 9). On March 13, 1996, Seymour H. Miller, President of SYS Telephone Corp., submitted written testimony to the New Jersey Board of Public Utilities ("Miller Testimony") (Attachment 10). Of his 43 payphones, many are located in areas where people have no home telephones. He cites one example of a "neighborhood phone," the only payphone located within a five block area. When he makes a service call to the neighborhood phone, he finds people lined up and asking how long it will take to repair the payphone because it "is their link to the outside world." Miller Testimony at 4.

(Footnote continued)

Public Interest Payphones, Tex. Calling (Texas Payphone Ass'n), Jan. 1993, at 6-7 (Attachment 4) (discussing examples of independent payphone providers sacrificing profit to satisfy public needs left unfilled by GTE).

² As another example, Peoples Telephone Company, Inc. ("PTC") estimates that approximately 30% of its 40,000 phones are located in low income urban or inner-city regions. See August 29, 1996 correspondence from Steve Alexander, Director of Regulatory Affairs for PTC, to Greg Haledjian of APCC (Attachment 6). See also Response of ACTEL, Inc., Implementation of Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket No. 96-128 (July 1, 1996) (Attachment 7) (stating that of ACTEL's 260 public payphones, approximately 65% are installed in inner-city areas because, as an estimated 20% of inner-city residents do not have home phones, ACTEL has sought to provide this much needed service).

Emergency Services

Payphones are needed to provide access to critical emergency and public safety services. See, e.g., Pay Telephones Will Be Installed in Two City Parks, Dunkirk-Fredonia Observer, Mar. 31, 1995, at D14 (Attachment 11); Payphones to Replace Fireboxes, N.Y. Daily News, Sept. 12, 1995, at D7 (Attachment 12) (payphones have been installed to replace fire alarm boxes in effort to reduce false alarms).

IPP providers have provided critical communications service during natural disasters. For example, in October of 1994, Payphone Management Co. of Houston, Texas provided free local phone calls from the only payphone available in a flooded area of approximately 15 miles. Devastating October Flooding Affects Payphone Companies in Southeast Texas, Tex. Calling (Texas Payphone Ass'n), Nov. 1994, at 1-2 (Attachment 13). Chronometric Telecommunications Inc. provided an emergency heat complaint number during New York City's blizzard of 1996, free of charge. CTI's Good Deeds Warm the Heart, Persp. on Pub. Comm. (APCC), Mar. 1996, at 18 (Attachment 14). Most recently, South Carolina IPPs are donating emergency payphone service to hurricane shelters in the wake of Hurricane Fran. See Attachment 15, a recent Press Release from the South Carolina Public Communications Association (Darlington, S.C.). "The phones will be installed at no cost. Any profits made from these phones will be donated to Relief Agencies to aid victims of Hurricane Fran. Callers will be charged only \$1.00 for a four minute call anywhere in the Continental United States." *Id.*

Service to Rural Areas

IPP providers also provide essential service to rural communities. In rural Chama Valley, Wyoming, for example, GTE removed a number of public payphones on which the community had heavily relied, because GTE found that the payphones had failed to generate enough revenue in this overwhelmingly rural area. After GTE removed the only public payphones in each of several locations, an IPP provider placed several new public payphones to provide service in the locations GTE had abandoned. See GTE Yanks Payphones/New Payphones in Valley, High Country Roundup, Sept. 22, 1992 (Attachment 16).

In recent years, GTE removed its payphones from the town of Marble Falls, Texas, and refused to install payphones for free in new locations. An IPP provider installed several payphones at apartment complexes in Marble Falls where many individuals have limited incomes and have been unable to afford private phone service. Another IPP provider operating in the Marble Falls area installed payphones at several locations where GTE removed its facilities. The one payphone on Main Street in Marble Falls was installed

Mr. John Muleta
September 9, 1996
Page 5

by an IPP provider outside the Marble Theater. According to the owner of the Marble Theater, GTE had refused to install a payphone at his business. See A Typical Texas Town Served By The Independent Payphone Industry, Tex. Calling (Texas Payphone Ass'n), July 1994, at 10-11 (Attachment 17).

Another IPP provider, T&T Communications also provided the only public payphone in Lytton Springs, located in Central Texas. Placed in the general store that functions as the central gathering place for the small town (population 150) and the surrounding rural countryside, this IPP is the only way many of the residents can contact local businesses, doctors, or relatives. See Private Payphones Benefit Callers In Small Towns Throughout Texas, Tex. Calling, (Texas Payphone Ass'n), Oct. 1992, at 9 (Attachment 18). See also, e.g., Everyone Lends a Helping Hand at 4M Communications, Persp. on Pub. Comm. (APCC), Mar. 1996, at 21 (Attachment 14) (payphone provider established students' home phone numbers as free calls from school payphones located more than 40 miles from home); Southwest Texas Town Welcomes Its First Payphone in Recent Years, Tex. Calling (Texas Payphone Ass'n), Oct. 1991, at 9 (Attachment 19) (payphone provided much needed service to stranded motorists and local residents).

Payphones and Crime

Because people so heavily rely on payphones, Commissioner Garcia of the Florida PSC believes that payphones should not be summarily removed when they are suspected of being used for criminal activity such as drug trafficking. He recognizes that people in high-crime neighborhoods need payphones the most when they are threatened with crime or otherwise need to obtain emergency services through "911" calls. Moreover, he notes that approximately six percent of all households cannot afford a home telephone, and removing payphones can deprive these less fortunate people of access to communications. Removing Payphones Is Not the Answer, Persp. on Pub. Comm. (APCC), Apr. 1995, at 55-56. (Attachment 20).

In fact, payphone providers have helped stem criminal activity. For example, under IPANY's SPIN Program, payphones have been programmed so that police can dial their precincts at no cost. Moreover, where police suspect payphones are used for criminal activity, they notify IPANY, which contacts the owner who will take steps to relieve the problem, such as blocking incoming calls and changing payphones to pulse dialing. IPANY Takes a Stand on Crime, Persp. on Pub. Comm. (APCC), Mar. 1996, at 29 (Attachment 12). See also, e.g., TPA Initiates Program to Reduce Drug Dealing at Payphones, Tex. Calling (Texas Payphone Ass'n), Jan. 1995, at 10-11 (Attachment 21) (describing success of Austin Program designed to prevent the use of payphones for drug trafficking); One-Way Conversion of Payphones Suspected of Being Utilized for Illicit Drug Activities,

Mr. John Muleta
September 9, 1996
Page 6

CAPA Newsletter (CAPA), Apr. 1996, at Regs & Leg. 5-6 (Attachment 22) (describing Pennsylvania measure to implement quick solution to suspected drug trafficking problems associated with payphones); Ryan Koning, Pay-phone Changes Fight Crime, Phoenix Gazette, Apr. 3, 1996 (Attachment 23) (reporting success of Phoenix program); Payphones Against Crime Network, On the Line (CPA, San Ramon, CA), Nov./Dec. 1995, at 31-32, (Attachment 24) (describing P.A.C.NET's ten point program); Douglas Martin, Rotary Pay Phones Return, This Time to Foil Drug Deals, N.Y.T., Jan. 10, 1994, at A1 (Attachment 25) (reporting success of one measure to prevent drug trafficking).

* * * * *

In sum, payphone competition has filled important public needs that would have been left unserved in the absence of competition. Competition has ensured that payphones are installed to provide access to critical emergency and public safety services to people who would otherwise have no access to these services. Competitively provided payphones are also many individuals' only means to access of telecommunications service. Payphones are even used to help prevent crime. But neither IPP providers nor the LECs will be able to respond to these vital functions, unless the Commission acts to ensure that fair compensation is available to payphone service providers.

Sincerely,



Albert H. Kramer

AHK/rw
Attachments

Peekskill, NY

Star

New York City
Met Area

Tuesday

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N4098

LUCE PRESS CLIPPINGS

Legislator criticizes removal of pay phone

Putnam County Legislator Vincent Tamagna has criticized NYNEX Corp. for removing a pay phone from the Continental Village clubhouse. NYNEX, he said, removed the phone last month because it was not earning enough revenue.

"This is a reprehensible development," said Tamagna, R-Philipstown. "Where is NYNEX's vaunted public service commitment?"

NYNEX officials couldn't be reached yesterday, but the telephone company recently removed what it called an underused pay phone at the Putnam Valley Police Department headquarters and said it planned to remove telephones from Putnam Valley Town Hall and Putnam Valley Library.

A NYNEX spokesman said then that underused pay telephones are expensive to maintain and are becoming increasingly obsolete in a world of cellular telephones and other means of communications.

— Peter West

RESPONSE
OF
NEW JERSEY PAYPHONE ASSOCIATION
TO PROPOSED RULE-MAKING

Docket No. TX95100518
Proposal No. PRN 1996-16

March 12, 1996

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I. INTRODUCTION

The New Jersey Payphone Association ("NJPA") is an organization of non-local exchange company ("non-LEC") payphone providers who provide pay telephone service to New Jersey customers. NJPA members are small companies; indeed, many are "Mom and Pop" firms. [The largest, interestingly, is but 1/500th the size of Bell Atlantic-New Jersey, Inc. ("Bell") — the predominant local exchange company ("LEC"), and also the overwhelmingly most significant payphone provider in the State.]

NJPA wishes to comment upon the proposed rule-making proceedings commenced by the Board of Public Utilities ("Board" or "BPU") with respect to operator service providers ("OSPs") and public pay telephone service ("PPTS") providers. NJPA supports many of the provisions suggested by the Board but has strong concerns about a few, as set forth below. Before continuing, we wish to point out that NJPA wholeheartedly agrees with the Board in its efforts to develop a competitive marketplace in which New Jersey consumers can experience the full benefits of open and real competition. The proposals of the Board, however, will not achieve that result. Indeed, they will hurt consumers as well as non-LEC payphone providers.

We have attempted to be as complete as possible with respect to the matters discussed herein. It is clear that this proceeding is of crucial importance to NJPA members; it is equally important, however, to many residents in our towns and cities. The proposed regulations will have drastic and adverse consequences upon the people

whom they are designed to help. It is crucial, therefore, that before the Board implements same, it must explore, in depth, the full ramifications of its proposals.

Our comments will address NJPA's specific areas of concern.

II. RATE PROVISIONS

N.J.A.C. 14:10-6.3(h) provides that the rate for local operator-assisted calls be limited to the tariffed rate for a local operator-assisted call charged by the incumbent LEC.

N.J.A.C. 14:10-6.3(i) provides that an OSP may charge for intrastate operator-assisted non-local calls a rate not greater than \$1.00 above the highest applicable operator-assisted rate for such calls of a tariffed facilities-based carrier on file with the Board on January 1, 1996.

N.J.A.C. 14:10-9.3(g) specifies that the rate for direct-dialed, coin-generated local calls on non-LEC payphones may not exceed the local coin rate charged by the incumbent LEC.

A. IMPACT OF PROPOSED RULES

The Board has determined that some non-LEC payphone providers charge rates which the Board deems excessive. The Board therefore proposes to cap non-LEC payphone provider and OSP rates. Unfortunately, the BPU proposal will be detrimental to the calling public: It will seriously and irreparably injure all non-LEC payphone providers economically and will, in all likelihood, literally drive some of them out of business.

There are those, of course, who will say "Who cares? So what if the non-LEC payphone companies go out of business? Who do they help, anyway?" The answer is that if such companies are driven out of business, many people will be hurt in many ways.

Most of the non-LEC payphone providers in New Jersey, especially the very small operators, are New Jersey residents who live and work in our communities. They support their families and they support payrolls comprised of other employees who also live and work in our municipalities. In fact, the non-LEC payphone industry in New Jersey employs hundreds of people. They contribute to New Jersey's economy and tax base. To impose the rate caps suggested by the BPU without carefully and open-mindedly first examining their impact — without fully exploring the true cause of the problem — will, as demonstrated below, force many out of business. Not only will this be economically disastrous to those affected, it will also negatively impact New Jersey's economy.

Most importantly, however, the Board's proposals will harm those who most need payphones — the many New Jersey residents who rely upon payphone telephone service for communication to the outside world. For many years, non-LEC payphone providers have filled a need not met by the incumbent LECs. NJPA estimates that more than 120 million calls were carried by New Jersey non-LEC payphones in 1995 — more than 340,000 per day! Moreover, while regrettable, it is nevertheless true that many residents in our cities are simply too poor to afford private residential telephone service. In Newark alone, it is estimated that more than

13,000 households, 15% of the population, lack residential telephone service. These individuals depend upon non-LEC pay telephones as their only means of communication to others. Important and even vital calls, such as those to doctors, hospitals or police and fire departments, are carried through NJPA members' phones. Were the Board's proposed rules implemented, such individuals will, without any question, be severely adversely affected, for many of the non-LEC payphone providers who supply service to the poorer communities in our State will no longer be able to do so.

Nor will the impact of such action be minimal. NJPA members have placed more than 1,600 payphones in the Newark community alone. They have also placed more than 500 payphones in Trenton and 600 in Camden, in addition to other cities throughout the State. Statewide, NJPA estimates there to be over 7,000 payphones placed by NJPA members in our major cities — and that does not include non-NJPA member payphones. These payphones are absolutely necessary. They are used, and not just for ordinary telephone conversations — they are needed for emergencies as well. NJPA estimates that more than 400,000 "911" calls are made annually on non-LEC payphones.¹ Those calls have been routed to all manner of emergency services, including not only police and fire departments but ambulance and rescue squads, poison control centers and other crucial services. And of all the non-LEC payphones in our cities, approximately 60% are located in lower income areas. Were the proposed rate caps to be implemented without rectifying the problems non-LEC

¹NJPA will make available to the Board all of the information collected for this proceeding.

payphones experience (discussed below), such action will force many non-LEC payphone companies out of business and, again, quite literally, may well put New Jersey residents in danger. Simply stated, non-LEC payphone companies provide a service to our citizens that the LECs do not.

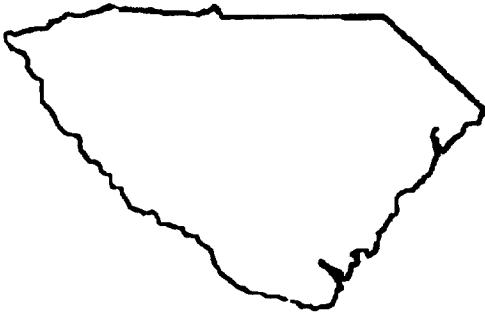
This is not to say that NJPA members do not recognize the concern of the Board with regard to end user rates. They do. But they also believe that other measures (which we will detail) can be implemented by the Board which will not only avoid the serious economic consequences to be caused by the proposed rules but would actually aid consumers.

B. CAUSE OF HIGHER RATES

The difficulty is that the BPU proposals do not address the real problem. They ignore the causes of higher non-LEC payphone provider and OSP rates. By focusing on the real cause of the problem, discussed below, the BPU can reduce rates to the public even without the need for the proposed rate caps. Examining the real problem is vital, however, if the Board is to truly aid New Jersey residents.

1. Lack of Dial Around Compensation

Recently the Board determined that what is commonly known as "dial around" compensation should be denied to non-LEC payphone providers. The Board's reasoning was premised upon two supposed factors: 1) non-LEC payphone providers do not need dial around compensation because their rates for other calls were already too high, and 2) in any case, dial around compensation would provide little economic benefit to non-LEC payphone providers since the majority of their calls (estimated by



1995 A.P.C.C. Industry Achievement Award Winner

South Carolina Public Communications Association

**1132 South Center Road
Darlington, South Carolina 29532
(803) 393-1843
(803) 393-5588 Fax**

**Mr. John Muletta
Chief of Enforcement Division
Federal Communications Commission
Common Carrier Bureau
1919 M Street, NW
Washington, D.C. 20554**

September 3, 1996

Dear Mr. Muletta,

I am writing to you as the President of the South Carolina Public Communications Association, as well as the President of my company, Carolina Payphone Systems.

I understand, through the American Public Communications Council, that you are interested in any documentation as to the value that pay telephones contribute to the public. South Carolina is not a densely populated state, as you can well imagine. Many of our Independent operators provide pay telephone services to very small rural and remote locations throughout the state. In many instances, pay telephones which have been placed by Independent Pay Telephone Operators, may in a small community provide the only source of connection to the telecommunications network. These services are essential to the various groups of people who do not have phones in their homes. These include, the financially disadvantaged, the homeless, the indigent, and of course, the person who is traveling away from their home and may not have available any type of cellular telephone. Many of the rural telephone companies (LECs) in South Carolina simply do not focus on the provisioning of pay telephone services. Independent Pay Telephone Operators help to fill this void, by placing Public Pay Telephones in locations where these LEC's do not.

I am sending along with this letter two items.

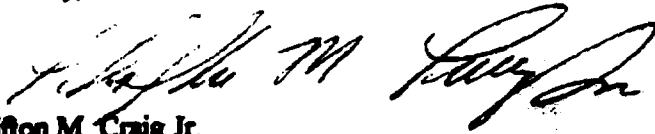
- 1) A copy of this week's agenda from the South Carolina Public Service Commission. Please take note of item # 4, whereby BellSouth Telecommunications, Inc. is seeking a tariff revision to discontinue Semi-Public pay telephones, in South Carolina. Who will fill this void, and how many locations are we talking about?**
- 2) A copy of my testimony which I presented to the South Carolina Public Service Commission last November in Docket # 95-720-C.**

To ascertain what all of this means please refer to the documentation provided by BellSouth which is listed as "CRAIG EXHIBIT 1) in my testimony. BellSouth if it's tariff is approved will discontinue serving 1473 customers who are being served by Semi-Public Pay Telephone Service. This leaves the Independent Pay Telephone Operators to, if you will, act as the Carrier of Last Resort in regards to Pay Telephone Services, at these locations. Our Association, as well as the A.P.C.C. feel a sense of responsibility to our neighborhoods and communities to try to provide Public Pay Telephone services where there is truly a need, not necessarily with regard to income potential. We shall strive to continue this in our operations.

I hope that you will take the time to read my testimony and look at the enclosed exhibits. I think this will give you a more complete picture of the Independent Pay Telephone Industry, at least, in South Carolina.

I thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Clifton M. Craig Jr.", written in dark ink.

Clifton M. Craig Jr.

President, South Carolina Public Communications Association

UTILITIES DEPARTMENT AGENDA
WEEK OF SEPTEMBER 2, 1996
COMMISSION ADVISED ITEMS
PAGE ONE

COMMISSION ADVISED OF THE FOLLOWING ITEMS:

1. TARIFF NO. 96-280 - DIAL & SAVE OF SOUTH CAROLINA, INC. D/B/A DIAL & SAVE, in its S.C.P.S.C. Tariff No. 1, is introducing Small Business 800 and Enhanced Services and a promotional offering, LDMTS Promotion, through December 31, 1996. In accordance with Commission Order No. 84-622 in Docket No. 84-10-C, rate revisions are being implemented for Residential Calling and USA Savings InterLATA rates. Additionally, clarifying language on billing of calls is included for various services. RETURN DATE: September 9, 1996.
2. TARIFF NO. 96-282 - BELL SOUTH TELECOMMUNICATIONS, INC., in its General Subscriber Service Tariff, is introducing text to automatically renew its WaterSaver Service Term Discount Plans along with clarifying the conditions for termination of such.
3. TARIFF NO. 96-283 - UNITED TELEPHONE COMPANY OF THE CAROLINAS, in its General Subscriber Services Tariff, is adding "888" language where appropriate. RETURN DATE: SEPTEMBER 9, 1996.
- * 4. TARIFF NO. 96-286 - BELL SOUTH TELECOMMUNICATIONS, INC., in its General Subscriber Service Tariff, is proposing to obsolete Semi-Public Telephone Service in South Carolina. RETURN DATE: SEPTEMBER 17, 1996.
5. DOCKET NO. 95-1245-C - TLX COMMUNICATIONS, INC. (TELAMERICA) - Application for a Certificate of Public Convenience and Necessity to provide intrastate resold telecommunications services within the State of SC. Advise Commission of receipt of a tariff filed in compliance with their Certification Order No. 96-519.
6. DOCKET NO. 96-137-W/S - TEGA CAY WATER SERVICE, INC. - Application for approval of an increase in its rates and charges for water and sewer service. Advise Commission of receipt of a Petition to Intervene filed by Jean C. Varner on behalf of the City of Tega Cay.

JOHN F. BEACH, P.A.
ATTORNEY AT LAW
THE PALMETTO BUILDING
1400 MAIN STREET, SUITE 1207
POST OFFICE BOX 444
COLUMBIA, SOUTH CAROLINA 29202-0444

AREA CODE 803
TELEPHONE 779-0066
FACSIMILE 799-8479

August 21, 1995

The Honorable Charles W. Ballentine
Executive Director
South Carolina
Public Service Commission
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: BellSouth Telecommunications, Inc. d/b/a Southern Bell Telephone and
Telegraph Company Request for Approval of the Consumer Price Protection
Plan in South Carolina
Docket No. 95-720-C

Dear Mr. Ballentine:

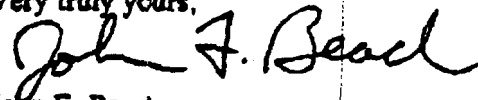
Enclosed is the original and five (25) copies of the Testimony of Clifton Craig for filing on behalf of the South Carolina Public Communications Association in the above-referenced docket. By copy of this letter, I am serving all parties of record and enclose my certificate of service to that effect.

Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it in the envelope provided.

If you have any questions or need additional information, please do not hesitate to contact me.

With kind regards, I am

Very truly yours,


John F. Beach

cc: Mr. Clifton Craig
All parties of record
Enclosure
C:\wp51\SCPCA\BALL EN ALT

**BEFORE THE
PUBLIC SERVICE COMMISSION OF**

SOUTH CAROLINA

DOCKET NO. 95-720-C

In RE:

BellSouth Telecommunications, Inc.
d/b/a Southern Bell Telephone and
Telegraph Company Request for Approval
of the Consumer Price Protection Plan
in South Carolina

**TESTIMONY OF
CLIFTON CRAIG**

1 **Q. Please tell the Commission your name and business address.**

2 **A. My name is Clifton Craig and my business address is 1132 S. Center Road, Darlington,**
3 **SC 29532.**

4
5 **Q. By whom are you employed and in what capacity?**

6 **A. I am an owner of Carolina Payphone Systems, a South Carolina company providing**
7 **independent payphone services throughout the state. I am also the president of the South**
8 **Carolina Public Communications Association ("SCPCA") and am here today testifying**
9 **in that capacity.**

10
11 **Q. Would you please describe the South Carolina Public Communications Association?**

12 **A. Yes I will. The SCPCA is an association, whose members include operator service**
13 **providers, independent public payphone service providers ("IPPs"), and other**

telecommunications-related providers in South Carolina. Our organization's primary purpose is to assist its members in the responsible provision of payphone services in South Carolina. The SCPCA serves as an advocate for the payphone industry and engages in self-regulatory activities to help insure the responsible provision of payphone services to South Carolina citizens.

Q. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to outline why Southern Bell's proposed plan (the "CCCP") is not in the public interest, and should be rejected by the Commission. I will explain the dangers that Southern Bell's plan poses to general telecommunications consumers, and IPPs. In addition, I will demonstrate that payphone services in South Carolina are not currently subject to effective competition.

Q. Is the SCPCA against the loosening of regulatory constraints in the telecommunications market?

A. No, not at all. In fact, we eagerly look forward to the time when all telecommunications providers can compete in the marketplace on a level and truly competitive playing field.

Q. Why then is the SCPCA opposed to Southern Bell's proposed CCCP?

A. Sufficient competition has not yet developed in South Carolina for Southern Bell's plan to be in the public interest. Frankly, the only services offered by Southern Bell that are subject to any realistic competition today are those that Southern Bell has introduced to